

AGENDA
FREMONT REDEVELOPMENT AGENCY REGULAR MEETING
MARCH 2, 2010
7:00 P.M.

1. CALL TO ORDER

2. CONSENT CALENDAR

Items on the Consent Calendar are considered to be routine by the Redevelopment Agency and will be enacted by one motion and one vote. There will be no separate discussion of these items unless an Agency Member or citizen so requests, in which event the item will be removed from the Consent Calendar and considered in its normal sequence on the agenda. Additionally, other items without a "Request to Address the Redevelopment Agency Board" card in opposition may be added to the consent calendar. (In the report section of the agenda, consent items are indicated by an asterisk.)

2.1 *Approval of Minutes – None.*

3. PUBLIC COMMUNICATIONS

3.1 Oral and Written Communications

4. PUBLIC HEARINGS – None.

5. OTHER BUSINESS

5.1 Report Out from Closed Session of Any Final Action

5.2 ADOPTION OF RESOLUTIONS RELATED TO THE CONSOLIDATED AMENDED AND RESTATED REDEVELOPMENT PLAN FOR THE FREMONT MERGED REDEVELOPMENT PROJECT AND RELATED STATUTORY ACTIONS

Adoption of Resolutions Related to the Consolidated Amended and Restated Redevelopment Plan for the Fremont Merged Redevelopment Project and Related Statutory Actions, Which Include: (1) Adoption of the Concurrent Resolution of the Redevelopment Agency and City Council Certifying the Final Subsequent Environmental Impact Report; and (2) Adoption of the Resolution Approving an Amended and Restated Five-Year Implementation Plan for the Fremont Merged Redevelopment Project

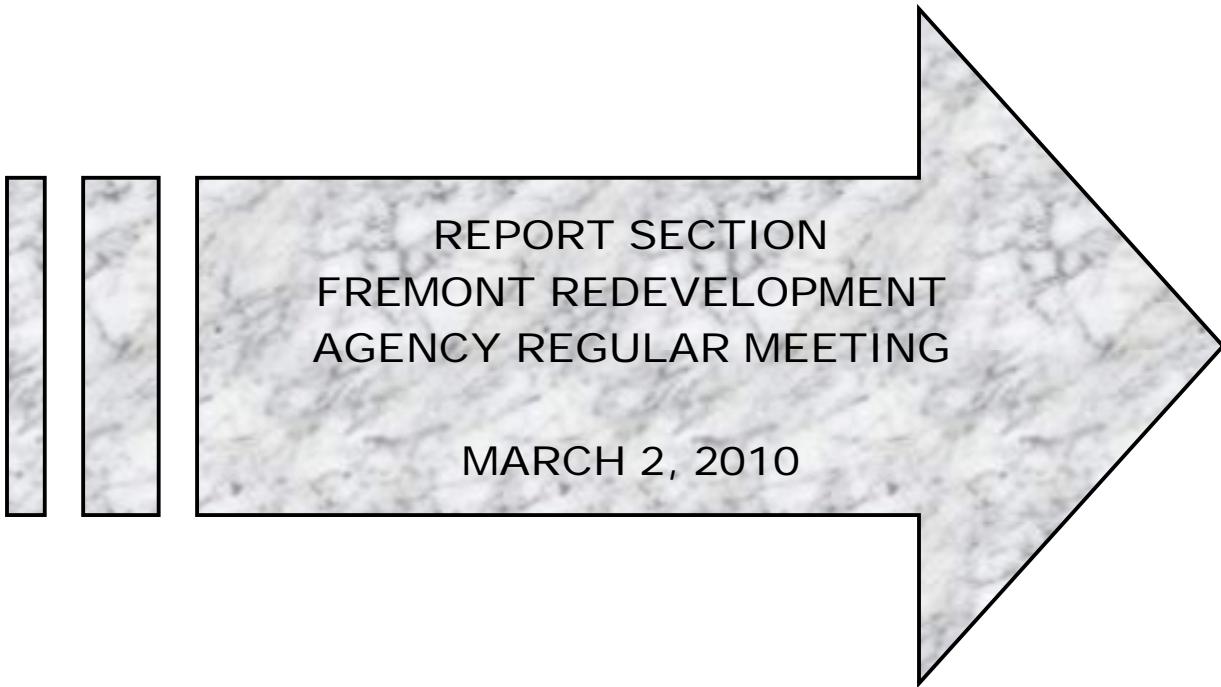
Contact Person:

Name:	Irene de Jong	Elisa Tierney
Title:	Redevelopment Business Manager	Redevelopment Director
Dept.:	City Manager's Office	City Manager's Office
Phone:	510-494-4510	510-494-4501
E-Mail:	idejong@fremont.gov	etierney@fremont.gov

RECOMMENDATION: Staff recommends that the Agency Board:

1. Adopt a Concurrent Resolution of the Redevelopment Agency and City Council certifying the Final Subsequent Environmental Impact Report and making related CEQA findings, including adopting a mitigation monitoring program and a statement of overriding considerations; and
2. Adopt a Resolution approving the Amended and Restated Five-year Implementation Plan for the Fremont Merged Redevelopment Project.

6. ADJOURNMENT



5.1 Report Out from Closed Session of Any Final Action

5.2 ADOPTION OF RESOLUTIONS RELATED TO THE CONSOLIDATED AMENDED AND RESTATED REDEVELOPMENT PLAN FOR THE FREMONT MERGED REDEVELOPMENT PROJECT AND RELATED STATUTORY ACTIONS

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Note: A companion item on the City Council agenda describes a series of related City Council actions.

Executive Summary: In order to improve public facilities, revitalize the business environment, and provide quality housing opportunities to local residents, the Redevelopment Agency has been implementing the redevelopment program for the areas comprising the Fremont Merged Project Area since 1977 for the Irvington and Niles areas, since 1983 for the Industrial area, and since 1997 for the Centerville area. These redevelopment areas were combined in 1998 to form the Merged Project Area.

The proposed Amended Redevelopment Plan (as further described below) is the result of over two years of discussion and consultation with various community organizations and committees and other local governmental agencies. If adopted, the proposed Amended Redevelopment Plan would achieve the following:

- Amend, restate, and consolidate the current constituent redevelopment plans for the Irvington, Niles, Centerville and Industrial portions of the Merged Project Area into the form of a single Amended Redevelopment Plan officially entitled: "Consolidated Amended and Restated Redevelopment Plan for the Fremont Merged Redevelopment Project Area (including the Irvington, Niles, Centerville, and Industrial Areas)." This Amended Redevelopment Plan would incorporate the applicable provisions from each of the current constituent redevelopment plans;
- Increase the limit on the amount of tax increment revenue from the Industrial Area portion of the Merged Project Area that may be claimed by the Agency from the current limit of \$400 million to a revised limit of \$1.5 billion;
- Increase the limit on the principal amount of bonded indebtedness secured by tax increment revenue that may be outstanding at any time from the current combined Merged Project Area limit of \$200 million to a revised combined limit of \$550 million;
- Update the lists of projects, programs and activities that may be undertaken by the Agency in the Merged Project Area; and

- Update various text provisions to conform to the current requirements of the California Community Redevelopment Law (the “CRL”).

The proposed Amended Redevelopment Plan would provide the Agency with the financial and legal resources needed to complete the program of redevelopment for the Merged Project Area, including transit and railway improvements; economic development and job creation efforts; building rehabilitation, façade improvement, and historic preservation activities; street, park and other public infrastructure facilities, and landscaping improvements; hazardous materials clean-up; and provision of new and rehabilitated affordable housing.

During the February 16, 2010 joint public hearing, the Agency Board and City Council considered the following: (1) adoption of the proposed Amended Redevelopment Plan; (2) adoption of the proposed amended five-year Implementation Plan for the Merged Project Area (Amended Implementation Plan); (3) certification of the Final Subsequent Environmental Impact Report for the proposed Amended Redevelopment Plan (further described below, and sometimes referred to in this report as the EIR); and (4) all evidence and testimony for and against the adoption and certification of the foregoing documents.

This evening, the City Council is being asked to consider introduction of the ordinance adopting the Amended Redevelopment Plan (together with related statutory actions). Also this evening, the Agency Board, as the legal entity that would be responsible for implementing the Amended Redevelopment Plan should it be adopted by the City Council, is being asked to consider the following: (1) adoption of concurrent resolution of the Redevelopment Agency and City Council certifying the Final Subsequent Environmental Impact Report and making findings pursuant to the California Environmental Quality Act (CEQA), including adopting a statement of overriding considerations; and (2) adoption of resolution of the Redevelopment Agency approving an Amended and Restated Five-year Implementation Plan for the Fremont Merged Redevelopment Project and making the required legal findings.

BACKGROUND: On December 22, 2009, the City Council and the Redevelopment Agency received the final proposed Amended Redevelopment Plan, the Report to Council on the Amended Redevelopment Plan (including the proposed Amended Implementation Plan), and the Final Subsequent Environmental Impact Report on the proposed Amended Redevelopment Plan. These documents have also been transmitted to the Planning Commission, the Redevelopment Advisory Committee (RAC), and various commenting agencies as appropriate. On February 16, 2010, the Council and Agency conducted a joint public hearing to receive comments from the public on the proposed Amended Redevelopment Plan and accompanying documents, and to consider adoption of the proposed Amended Redevelopment Plan. A large majority of public comments received during the February 16, 2010 City Council and Agency Board public hearing were in support of the proposed Amended Redevelopment Plan. A few speakers expressed concerns about the impact of the Amended Redevelopment Plan on local school finances and the City’s General Fund, and about the value of spending future redevelopment funds on the Irvington BART station.

DISCUSSION/ANALYSIS:

Reasons for Amended Redevelopment Plan: Since 1998, the Agency has participated in numerous redevelopment efforts in the Niles, Irvington, and Centerville areas (referred to collectively as historic areas) and has completed or appropriated all necessary funds for the four freeway interchanges in the Industrial Area. However, the ultimate costs of the interchanges and the Washington Grade Separation

were much higher than initially projected. As a result of the Agency's obligation to fund these significant infrastructure improvements, the anticipated sharing of revenues from the Industrial Area to the historic areas has not occurred nearly to the extent anticipated at the time of the 1998 Plan Amendments and Merger. Therefore, many of the projects intended for the historic areas have not been sufficiently funded and have been placed on hold or are progressing more slowly than anticipated.

Additionally, the total tax increment revenues available to the Agency for its Merged Redevelopment Program by the time the Industrial Area will reach its \$400 million tax increment cap in Fiscal Year (FY) 2011/12 are projected to be approximately \$43.7 million (in present value dollars). This amount falls far short of the estimated \$465.7 million needed by the Agency to accomplish the proposed Merged Redevelopment program.

With the proposed Amended Redevelopment Plan, the Agency is projected to receive a total of approximately \$430.3 million (in present value dollars) in tax increment revenue, which represents tax increment available from the entire Merged Project Area (including Industrial, Centerville, Irvington, and Niles Subareas). This future revenue will fund a number of projects and programs targeted at eliminating the documented remaining blight in the Merged Project Area. More specifically, approximately \$243 million will be available for non-housing redevelopment projects, such as the Irvington BART Station, multi-modal transit facility in the Industrial Area, Monument Center Redevelopment in Irvington, redevelopment of Phase 2 of the Union Pacific site in Niles, and re-use of the Dusterberry/Peralta site in the Centerville area. Approximately \$148 million will fund affordable housing expenditures, which will focus on furthering the City's Five Point Program targeting the City's overall goals to produce, enhance and preserve affordable housing stock.

ENVIRONMENTAL REVIEW: An EIR (SCH#2008012048) has been prepared for the proposed project, pursuant to CEQA. As the proposed project is an amendment (in the form of the Amended Redevelopment Plan) to the current redevelopment plans for the subareas comprising the Merged Project Area, a Subsequent EIR was prepared that considered tiered analysis of previous Redevelopment Agency actions with contemplated effects of development from the baseline condition of when the project was initiated through the year 2030.

The general purpose of an EIR is to act as an informational document that:

- Describes the proposed project in substantial detail, outlines the project objectives, establishes the environmental setting, and identifies the potentially significant environmental effects of the project;
- Identifies feasible ways to minimize the significance of potential environmental effects;
- Discusses reasonable alternatives to the project that minimize, reduce, or avoid identified environmental effects.

The EIR is not intended to recommend either approval or denial of a project. Instead, the EIR process is intended to inform decision makers and the public about the potential environmental effects of a project so as to facilitate informed decision making. The EIR process included preparation of a Draft EIR that was available for public comment for a minimum of 45 days. The Draft EIR for the proposed project was circulated for public review from August 19, 2009 through October 5, 2009. Preparation of the Final EIR occurred at the conclusion of the Draft EIR comment period and includes responses to comments made on the Draft EIR and revisions to the Draft EIR. The two documents comprising the

complete EIR include the Draft EIR and Response to Comments/Final EIR. The Final EIR is dated November 2009 and is considered in combination with the Draft EIR.

Prior to acting on a proposed project, the City of Fremont acts in the role of the Lead Agency and must certify the EIR as adequate. To determine adequacy of an EIR, the Lead Agency must determine the sufficiency of the information in the document, not the correctness of its conclusions. Legal adequacy of an EIR is generally characterized by the following:

- All required contents are included;
- An objective, good-faith effort at full disclosure of potential environmental effects is provided;
- A reasonable treatment of issues is provided;
- Disagreement among experts is acceptable;
- Perfection is not required;
- Exhaustive treatment of issues is not required; and
- Minor technical defects are not necessarily fatal.

Significant Effects and Mitigation: The EIR identified potential impacts in 12 topical areas, including Aesthetics, Population and Housing; Air Quality; Climate Change; Biological Resources; Cultural and Historic Resources; Hazards and Hazardous Materials; Drainage and Water Quality; Land Use; Noise; Public Services and Utilities; and Transportation. As part of the analysis, mitigation measures were identified and included in the draft mitigation monitoring and reporting plan to reduce potential impacts to a less than significant level. Commonly, development controls consistent with City policies and practices for project review are included in the assessment of potential impacts of the Amended Plan. However, not all potentially significant environmental effects could be reduced to a level of less than significant.

Significant and Unavoidable Impacts: The EIR identified 13 potentially significant and unavoidable impacts related to Transportation, Cultural and Historic Resources, Water Supply, Noise, Regional Air Quality, and Green House Gas Emissions/Climate Change. More specifically, these impacts include the following:

- *Impact 7-1, 7-2, 7-3 Transportation – Project and Cumulative Impacts to roadway intersections and roadway segments:* With consideration of project buildout only, the EIR identifies in Table 7-18 an impact to Mission Boulevard/Niles Canyon Road and at the intersection of Grimmer Boulevard/Blacow Road. These impacts are caused by the substantial amount of potential commercial growth evaluated for Niles and the new growth and change in circulation in Irvington as a result of the BART station.
- *Impact 8-1 Water Supply – Cumulative Water Supply for the long term build out of the Plan:* The EIR identifies that, due to uncertainty in regional water planning, there is the potential for a significant impact to long-term water supply demands from development facilitated by the Plan. The EIR identifies mitigation is within the control of ACWD through the update of the Urban Water Management Plan and a number of potential long term sources of additional water supply.

- *Impact 10-1, 10-2, 10-4 Cultural and Historic Resources - Potential destruction and degradation of resources:* Niles, Irvington, and Centerville have a rich tradition as original communities in Fremont and have a substantial number of individual historic resources. While the EIR does not identify specific resources that will be impacted by implementing the Amended Redevelopment Plan, there is potential for some historic resources to be demolished or degraded by individual activities of the Amended Redevelopment Plan.
- *Impact 12-6, 12-7 Noise - Increase in roadway noise in Niles and Irvington:* The new development facilitated by the Amended Plan will contribute to increases in traffic levels on major roadways within Niles and Irvington.
- *Impact 13-2, 13-3 Air Quality - Individual and Cumulative effects on regional air quality for ozone precursors:* The EIR identified that buildout of the plan will cause an increase in emission of ozone precursors [reactive organic gases (ROG), nitrogen oxide (NO_x), and particulate matter (PM₁₀)] and contribute to the degradation of long-term air quality. No mitigation can fully reduce the emissions and the impact is significant and unavoidable.
- *Impact 14-1, 14-3 Global Climate Change: CO₂ emissions from new development may have a considerable contribution to Global Climate Change:* While no one project can have a considerable effect on global climate change, the cumulative effect of all development considered together could have a considerable level of new emissions contributing to global climate change. There is no bright line regulatory threshold for evaluation of greenhouse gas emissions and it is considered individually for each type of project through CEQA.

Alternatives Analysis: CEQA requires consideration of alternatives to a proposed project to provide a comparison of the effects of the preferred project versus other potentially feasible options that obtain most of the project's objectives and potentially lessen or avoid a significant impact. At the conclusion of the alternatives analysis, the EIR identifies an Environmentally Superior Alternative to the proposed project.

The four alternatives analyzed in Chapter 18 of the Draft EIR include the following:

- *Alternative #1 No Project/No Development:* The *No Project/No Development Alternative* is a mandatory alternative that considers the conditions of the area if the project is not approved. Existing conditions would remain as is with no Redevelopment activities.
- *Alternative #2 No Project/Completion of Current Redevelopment Plan:* This version of the "no project" alternative contemplates what would occur without the Amended Plan and only completion of activities already part of the Redevelopment Plan and within the current fiscal cap of \$400 million.
- *Alternative #3 Reduced Commercial and Industrial Development in Niles, Irvington, and Centerville:* This alternative contemplates a reduction of 50-75% in expected commercial and industrial development in Niles, Irvington, and Centerville. Housing activities were held constant and not reduced.

- *Alternative #4 Reduced Tax Increment Revenue Increase:* This alternative contemplates reducing the cap increase by 50% with no restrictions on which activities or types of growth are part of the project. This alternative would slow the elimination of blight and would not have enough revenue to enact all the activities contemplated by the proposed Amended Plan.

Environmentally Superior Alternative: Alternative 3 with Reduced Commercial and Industrial Development would attain most of the project objectives and lessen the environmental effects compared to the proposed Amended Plan as the Environmentally Superior Alternative. The “No Project” alternatives would not meet any project objectives and do not qualify under CEQA as environmentally superior alternatives.

Statement of Overriding Considerations: Because the project has significant and unavoidable impacts associated with its implementation, CEQA requires the lead agency to balance the benefits of a project against its significant environmental effects in conjunction with project approval. CEQA defines benefits as economic, legal, social, technological, or other. If a project’s benefits outweigh its unavoidable adverse environmental effects, the adverse effects may be considered “acceptable.” When a public agency approves a project with significant effects that are not avoided or substantially lessened with mitigation or changes to the project, the agency must state in writing the specific reasons to support its action. The written statement is formally known in CEQA as a Statement of Overriding Considerations.

Both staff and the Planning Commission recommend the City Council adopt a Statement of Overriding Consideration based on both social and economic benefits to the City and the region as a whole by providing for substantial amounts of affordable housing, removing blight, supporting public transit infrastructure and roadway improvements, and increasing the economic activity and tax base of the City. More specifically, by adopting the Statement of Overriding Consideration, the City Council and the Agency are making findings in support of the following:

1. The additional financial and legal resources made possible by the adoption and implementation of the Amended Redevelopment Plan, in combination with the mitigation measures listed in the enclosed CEQA resolution, will contribute to the physical and economic revitalization of the historic business districts of Irvington, Niles, and Centerville, which currently suffer from underutilization and decline or stagnation of business activity;
2. Completion of the redevelopment program for the Industrial Area made possible by adoption of the Amended Redevelopment Plan, in combination with the mitigation measures listed in the enclosed CEQA resolution, will also contribute to the build-out of the Industrial Area, thereby further enabling the Industrial Area to serve the entire City and the County of Alameda as a major regional source of advanced technology employment opportunities;
3. Adoption and implementation of the Amended Redevelopment Plan, in combination with the mitigation measures listed in the enclosed CEQA resolution, will contribute to expansion and preservation of decent, safe, and sanitary affordable housing;

4. Adoption and implementation of the Amended Redevelopment Plan will enable the Agency to invest in major regional public transportation improvements, including construction of the Irvington BART station and other transit improvements throughout the Merged Project Area.
5. Adoption and implementation of the Amended Redevelopment Plan will enable construction of additional public transit facilities and will promote transit-oriented development, thereby accommodating greater levels of regional residential and commercial growth in in-fill locations of the Bay Area that will reduce greenhouse gas and other air pollutants and use fewer energy resources than were such regional growth to be occur in more outlying areas.

In summary, by adopting the Statement of Overriding Considerations and making the required statutory findings, the City Council and Agency conclude that economic and social considerations outweigh the remaining environmental effects of the adoption and implementation of the Amended Plan.

AMENDED AND RESTATED FIVE-YEAR IMPLEMENTATION PLAN FOR THE FREMONT MERGED REDEVELOPMENT PROJECT:

Adoption of the Amended Redevelopment Plan would result in additional financial resources available to the Agency beginning in FY 2011/12. Specifically, the Agency would be able to collect an additional estimated \$48.4 million of tax increment revenue from the Industrial Area through the end of the current five-year Implementation Period (which ends in June 2013). The positive financial impact to the Agency from the Amended Plan is projected to be even more significant after the FY 2012/13 as it would allow the Agency to continue implementing the proposed expanded projects and programs. More specifically, the additional revenue from the Amended Redevelopment Plan that would become available during the latter part of the current Implementation Period would allow the Agency to initiate the redevelopment of the Union Pacific site (Phase 2) in Niles and the Monument Center site in Irvington, facilitate re-use of the former Fire Station 6 in Centerville, as well as invest additional resources in neighborhood sidewalk and landscaping improvements, the historic building assessment program, and commercial rehabilitation and façade improvements efforts across all historic districts. These additional activities are highlighted in the proposed Amended Implementation Plan that is before the Agency Board for consideration of approval this evening.

ENCLOSURES:

- [Draft Resolution of the Redevelopment Agency approving the Amended and Restated Five-year Implementation Plan for the Fremont Merged Redevelopment Project.](#)
- [Draft Resolution of the Redevelopment Agency and City Council certifying the Final Subsequent Environmental Impact Report and making related CEQA findings, including adopting a statement of overriding considerations](#) (included as part of City Council agenda packet)

RECOMMENDATION: Staff recommends that the Agency Board:

1. Adopt a Concurrent Resolution of the Redevelopment Agency and City Council certifying the Final Subsequent Environmental Impact Report and making related CEQA findings, including adopting a mitigation monitoring program and a statement of overriding considerations; and
2. Adopt a Resolution approving the Amended and Restated Five-year Implementation Plan for the Fremont Merged Redevelopment Project.